

m/043/019

MOUNTAIN VALLEY STONE INC.**PO BOX 296
HEBER, UT. 84032****435-654-0120 OFFICE
654-3337 FAX**

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AS PER YOUR REQUEST, PLEASE FIND THE FOLLOWING INFORMATION.

LET ME KNOW YOU NEED ANYTHING ELSE.

THANK YOU



ROBERT JOHN HICKEN

*m/43/019***WRIGHT/GARFF RESOURCES L.L.C.**

1675 North Beck Street
Salt Lake City, Utah 84116
Telephone (801) 328-8506
Facsimile (801) 328-0955

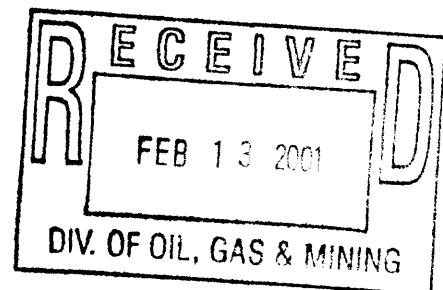
February 7, 2001

To Whom It May Concern:

Wright/Garff Resources, L.L.C. had a Building Stone Lease with Jon Young for the removal of stone from Lot 37 in Browns Canyon. In late 1998 or early 1999 Jon was joined, with our approval, by Robert Hicken and Paul Ballif. A new lease was signed with them (see copy enclosed which includes the legal description) on June 1, 1999 and by late 1999 Jon Young had completely discontinued working at the quarry. Since January, 2000 all dealings have been with Hicken and Ballif's company, Mountain Valley Stone, Inc. which has made all royalty payments since that time. We believe that substantial royalties due from Jon Young were never paid and we do not consider Jon Young to have any further interest in the lease.

Sincerely,


Edward B. Rogers, Manager



BUILDING STONE LEASE

THIS LEASE is made and entered into as of the 1 day of JUNE, 1999, by and between WRIGHT/GARFF RESOURCES, L.L.C., a Utah limited liability company, of 1675 Beck Street, Salt Lake City, Utah 84116 ("Lessor"), and Jon Young, 2402 Broadview Court, Sandy, Utah 84092; Robert John Hicken, PO Box 296, Heber, Utah 84032; and Paul R. Ballif, 38 North Miu Road, Heber, Utah 84032 "Lessee").

WHEREAS, Lessor owns an undivided interest in building stone and other mineral rights and subsurface interests in the following described lands in Section 20, Township 1 South, Range 5 East, Salt Lake Base & Meridian, in Summit County, Utah (the "Subject Lands"):

Lot 37, more particularly described as follows:

Beginning at a point that is due North 2077.035 feet and due East 433.898 feet from the Southeast corner of Section 19, Township 1 South, Range 5 East, S. L. M. (said Southeast corner bearing North 89°23'18" East from the Southwest corner and being the basis of bearing for this description), thence North 53° East 1006.103 feet; thence North 58°30'12" East 79.069 feet; thence South 27°55'59" East 1847.338 feet to a point on the North right-of-way line of State Highway 196; thence South 53°51' West along said right-of-way line 859.076 feet; thence North 35° West 1745.340 feet to the point of beginning.

WHEREAS, Lessee desires to remove building stone from the Subject lands; and

WHEREAS, Lessor wishes to grant to Lessee and Lessee wishes to obtain from Lessor the right to remove building stone from the Subject Lands in accordance with and subject to the terms hereof;

NOW THEREFORE, in consideration of the mutual benefits and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee covenant and agree as follows:

1. **Grant of Lease.** Lessor hereby leases to Lessee for the purposes described herein, without warranties of title, condition, suitability or of any other kind, Lessor's interest in building stone in and under the Subject lands, and grants to Lessee for the term hereof the exclusive right to mine and remove building stone owned by Lessor in and under the Subject Lands subject to and in accordance with the terms hereof. Lessee shall not have the right hereunder to remove any other mineral substances from the Subject Lands.

2. **Term.** The term of this Lease shall be five years from the date hereof.

3. **Royalty.** Lessee shall pay to Lessor at the above address or at such other address as Lessor may from time to time designate in writing a royalty of \$15.00 per ton for all building stone and \$7.50 per ton for landscape boulders removed from the Subject Lands during the term hereof. If so inclined during the fourth quarter of 1999, Lessee may present documentation supporting a request that the royalty for landscape boulders be reduced. During the months the quarry is in operation the Lessee shall make a lease payment of \$1,000.00 per month. The lease payments shall be applied against royalties. If royalties are less than \$1,000.00 per month calculated on a calendar basis the minimum payment will be \$1,000.00 per month. Lessee shall provide a complete accounting and pay for all building stone removed from the Subject Lands during each calendar month on or before the last

day of the next following month. Payment for all materials removed during each calendar year shall be completed on or before the last day of January of the following year. Any royalty payment not received when due shall bear interest at the rate of 12% per annum until paid.

4. Measurement and Records. Lessee shall accurately weigh and record each load of building stone and landscape boulders removed from the Subject Lands, shall make all records relating to materials removed from the Subject Lands available to Lessor for inspection and copying upon request during normal business hours, and shall maintain all such records during the term hereof and for not less than three years following the end of the calendar year to which such records pertain.

5. Determination of Quantity of Minerals Removed. If requested by either party from time to time during the term hereof or within 12 months thereafter, Lessor and Lessee shall arrange for a mutually acceptable engineer to survey the Subject Property and to determine the total tonnage of materials removed from the Subject Property since the date of the next preceding engineer's determination. The engineer's determination shall be the final determination as between the parties of the tonnage removed, and any royalty adjustment required to correct or reconcile prior royalty payments for such materials shall be made within 30 days following the engineer's determination. Each party shall pay one-half of the cost of such survey and determination.

6. Laws and Regulations. Lessee shall conduct all operations on or relating to the Subject Lands in a good and workmanlike manner and in full compliance with all applicable federal, state and local laws, regulations, permits and ordinances, including without limitation zoning, health, safety, environmental and mined land reclamation laws.

7. Indemnity. Lessee agrees to indemnify Lessor and to hold Lessor harmless against any and all claims of any nature arising from or relating to Lessee's activities on the Subject Lands. Lessee's indemnity obligation shall survive the termination of this Lease.

8. Taxes. Lessee shall pay all ad valorem real property taxes on the Subject Lands as well as any severance, occupation, conservation or other taxes on, measured by or calculated by reference to production of building stone in, under or removed from the Subject Lands. The royalty reserved by Lessor herein shall be paid to Lessor free and clear of all such taxes.

9. Default. In the event of any default by Lessee hereunder, in addition to any other remedy available to Lessor hereunder or under applicable law, if such default is not cured within ten days following notice of such default to Lessee in the case of any obligation to pay a sum of money, or within 30 days following notice of such default to Lessee in the event of any other default, Lessor may immediately and without further notice terminate this Lease, in which event Lessee shall immediately cease any further removal of building stone from the Subject Property; provided that in the case of any non-monetary default which cannot reasonably be cured within 30 days, Lessee shall have a reasonable time within which to cure, provided that Lessee initiates immediate actions to cure such default within said 30 days and diligently prosecutes such actions to completion. In addition, in the event of any default by Lessee, Lessor shall be entitled to recover from Lessee the amount of Lessor's costs and attorneys' fees incurred in enforcing Lessor's rights hereunder or in seeking damages for the breach hereof, whether incurred through litigation or otherwise.

10. Assignment. Lessee may assign or sublet interests in or under this Lease upon written notice to Lessor, provided however that each sublessee or assignee shall be bound by all of the terms and conditions hereof,

and provided further that no such assignment or subletting shall relieve Lessee of any obligation hereunder.

11. **Recording.** The parties agree that this Lease will not be recorded. However, Lessor agrees, if so requested by Lessee, to provide Lessee with a recordable notice of this Lease identifying the parties and describing the Subject Lands, the materials leased and the term of the Lease.

12. **Notice.** Any notice required to be given pursuant to this Lease shall be deemed delivered when physically received by the addressee via hand delivery, messenger service, facsimile or first class mail at the following addresses or at such other addresses as the parties may from time to time designate by notice given under this paragraph:

To Lessee:

Jon Young
2402 Broadview Court
Sandy, Utah 84092

Robert John Hicken
P O Box 296
Heber, Utah 84032

Paul R. Ballin
38 North Main Road
Heber, Utah 84032

To Lessor:

WRIGHT/GARFF RESOURCES, L.L.C.
1675 Beck Street
Salt Lake City, Utah 84116

13. **Time.** Time is of the essence of this Lease.

14. **Governing Law.** This Lease shall be governed by and interpreted in accordance with the laws of the State of Utah.

15. **Specific Performance.** The terms and obligations contained herein may be specifically enforced.

16. **Non-waiver.** No election or failure to exercise, delay in exercising or waiver of any right or remedy hereunder on any occasion by either party shall be deemed to be an election or waiver of the same or of any other remedy on the same or any other occasion.

17. **Successors and Assigns.** This Lease shall be binding on the parties hereto and upon their respective heirs, representatives, successors and permitted assigns.

18. **Exclusive Effect.** This Lease is made and entered into for the purpose of permitting Lessee the exclusive right to remove and pay for building stone from the Subject lands during the term hereof only. Nothing contained herein shall constitute or be construed to create in Lessee any right, interest, agreement or option with respect to such building stone or other subsurface materials after the termination hereof. Lessee acknowledges Lessor's ownership of building stone and other subsurface rights in the Subject Lands and covenants and agrees not to dispute or contest Lessor's ownership interest in any manner whatsoever, either directly or indirectly. This provisions of this paragraph shall survive termination of this Lease.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease as of the day and year first above written.

LESSOR:

WRIGHT/GARFF RESOURCES, L.L.C.

By _____
Anita Mumford Manager

By _____
Myrtle W. Allen, Manager

By _____
Robert H. Garff, Manager

By _____
Edward B. Rogers, Manager

LESSEE:

Jon Young

Robert John Hicken

Paul R. Ballif

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease as of the day and year first above written.

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WRIGHT/GARFF RESOURCES, L.L.C.

By Anita W. Mumford
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By _____
Myrtle W. Allen, Manager

By _____
Robert H. Garff, Manager

By _____
Edward B. Rogers, Manager

LESSEE:

Jon Young

Robert John Hicken

Paul R. Ballif